



# Opening Doors

FHLBank Atlanta • Affordable Housing Advisory Council 2008 Annual Report

Opening Doors to

Profitable Business Relationships

Untapped Consumer Markets

Opportunities for a Better Quality of Life

# \$43 million

committed to the Affordable Housing Program (AHP)





AHP funding will support the construction or rehabilitation of 4,500 units of affordable housing. This funding, combined with other sources, will catalyze more than \$330 million in housing development and help members establish and reaffirm business relationships with community developers.



Renovated row houses · Habitat for Humanity · Baltimore, Maryland

# \$17.7 million

provided through the First-time Homebuyer Program (FHP)

More than 1,900 families and individuals  
purchased first homes in 2008 thanks to the FHP.  
As a result of this \$17.7million, Bank members originated  
more than \$230 million in new first mortgages.



**Ruiz Family** · First-time Homebuyer Program · Miami, Florida

# \$105.2 million

in Community Investment Program (CIP) advances

Bank members used discounted CIP advances to support housing for low- to moderate-income families. Like the AHP, the CIP can help members reach untapped consumer markets and facilitates lending and deposit relationships with community developers.





Apartment Community · Atlanta, Georgia

# \$21.6 million

in Economic Development Program (EDP) advances

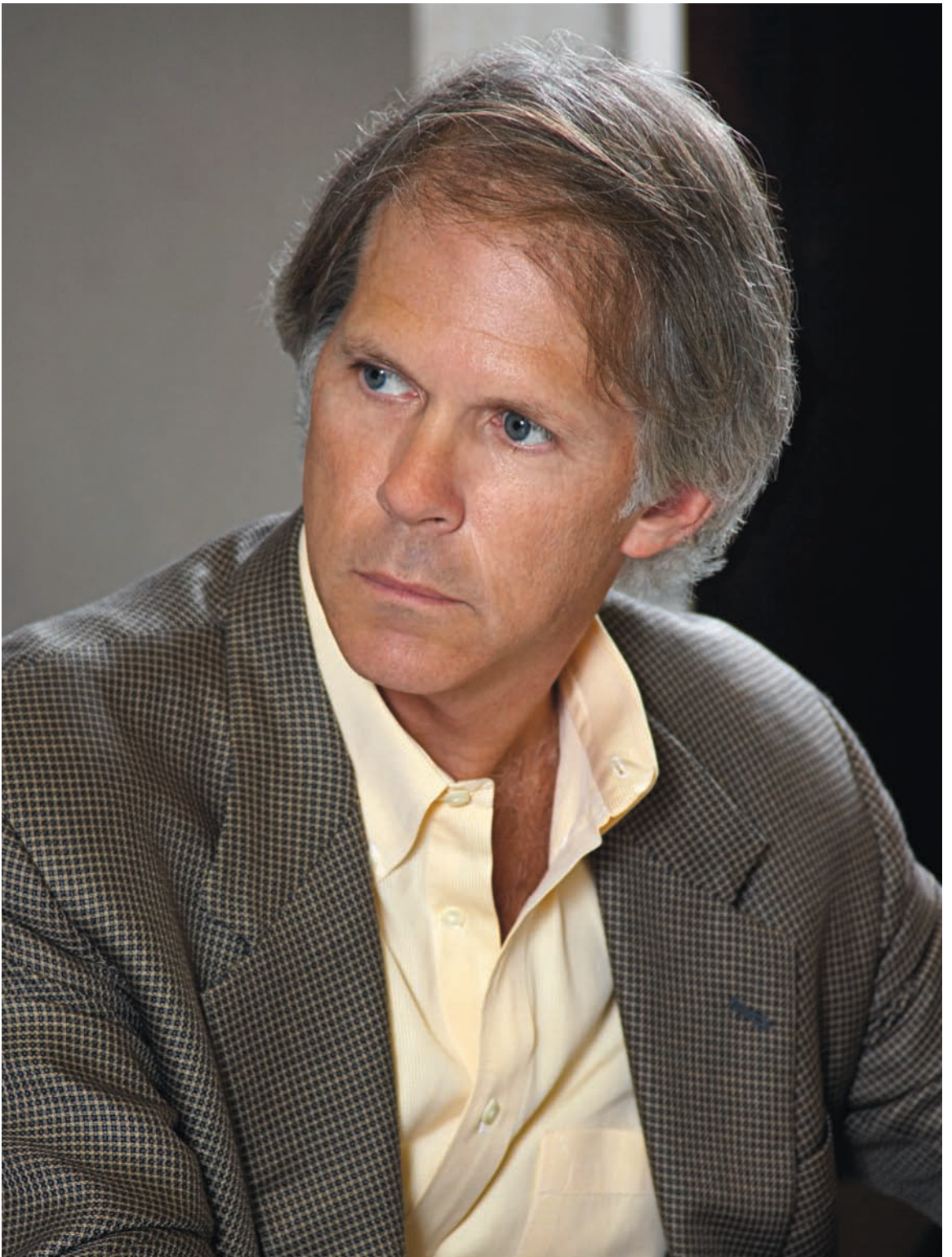
Using the EDP, members made profitable loans for worthwhile economic development projects. These investments create jobs, support infrastructure, and provide important services, boosting the economic health of communities and their residents.





**Eldorado Stone** · Dublin, Georgia





**Bruce Gunter** · Chair, Affordable Housing Advisory Council



In 2008, our communities faced incredibly challenging economic times. Families and neighborhoods were rocked by rampant home foreclosures and rising unemployment. Credit markets seized up, depriving financial institutions and communities of much-needed capital. Throughout this economic turmoil, FHLBank Atlanta continued to execute its housing finance mission and remained a strong, reliable, and responsive partner to its member financial institutions and community developers. Even during the economic slowdown, the Bank continued to play the critical roles of supporting communities and of opening doors to new business opportunities for its member institutions.

The core of the Bank's housing finance mission remains its advance lending business. Community and regional banks, thrifts, and credit unions have depended heavily on the Bank for liquidity during the ongoing credit crisis. This funding enabled these community institutions to continue lending to families and businesses and bolster local markets.

The strength of the Bank's core advance lending activity and resulting financial performance also provided millions of dollars in stimulus capital for Bank programs that support affordable housing, homeownership, and economic development. These programs helped member institutions acquire new customers, improve performance, and reduce risks associated with community development lending.

Equally important, Bank members used this capital to help open doors to a world of opportunity for low- to moderate-income families in our communities. Thousands of families now have safe, decent places to live, jobs with gainful wages, and means to achieve their dreams of homeownership.

## **Affordable Housing**

The Bank committed \$43 million to the Affordable Housing Program (AHP) in 2008. This funding will support 85 development projects, ranging from South Florida to Maryland, and help construct or rehabilitate more than 4,500 affordable housing units. AHP awards in 2008 bring the Bank's total investment in the AHP since 1990 to \$363 million and total units financed to more than 65,000.

When combined with capital from other sources, 2008 AHP funding will stimulate more than \$330 million in affordable housing construction and rehabilitation in the Southeast. Through these development projects, Bank members will help build thriving neighborhoods while establishing profitable business relationships in the community.

In addition to the AHP, members supported affordable housing activity through the Community Investment Program. Members borrowed \$105.2 million in new advances in 2008 to finance single- and multi-family affordable rental and homeownership properties that benefit low- to moderate-income households.

## **First-time Homeownership**

Demographic and population growth trends in the Southeast provided the market basis for the Bank to allocate a record amount to its First-time Homebuyer Program (FHP) in 2008. Through its members, the Bank provided \$17.7 million in down-payment and closing-cost assistance that helped more than 1,900 families and individuals purchase homes. This funding is the largest amount the Bank has allocated to the FHP in the program's history, and all of it was funded by the end of the third quarter. Bank members used the FHP to drive business and profits in a difficult real estate market, originating new mortgages valued at \$230 million.

The annual per member funding limit for the FHP was raised to \$1 million for 2008. Several members from across the district reached their limit during the year and 16 members participated in the program for the first time in 2008. This activity is clear evidence that the FHP continues to be of enormous value in helping families get into homes – with reasonable and sound mortgages – and providing members a competitive advantage in building their residential lending businesses.

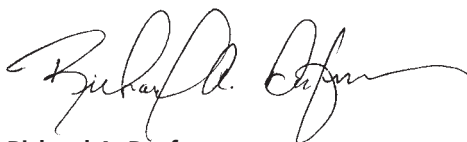
## **Economic Development**

Beyond affordable housing, communities must have good jobs, infrastructure, and vital services in order to thrive. The Bank's Economic Development Program (EDP) is designed to help local financial institutions lend profitably for projects that create jobs and provide services. Members borrowed \$21.6 million in new advances from the EDP in 2008 to fund business loans, support important infrastructure projects, and help communities attract new industry. These investments bolstered local economies by strengthening small businesses and provided better employment opportunities for hundreds of families.

While we are proud of the success of the Bank's community investment products and services, we recognize that we will face continued uncertainty and a difficult economic environment in 2009. A recovery in the credit, financial, and housing markets will take time and diligent work. The Bank and the Advisory Council remain committed to supporting you – our member institutions and community developers – by providing capital and services that help finance affordable housing and economic development in the Southeast. We appreciate your support of FHLBank Atlanta and look forward to strengthening our partnerships in 2009 and beyond.



**Bruce Gunter**  
Chair, FHLBank Atlanta Affordable Housing Advisory Council

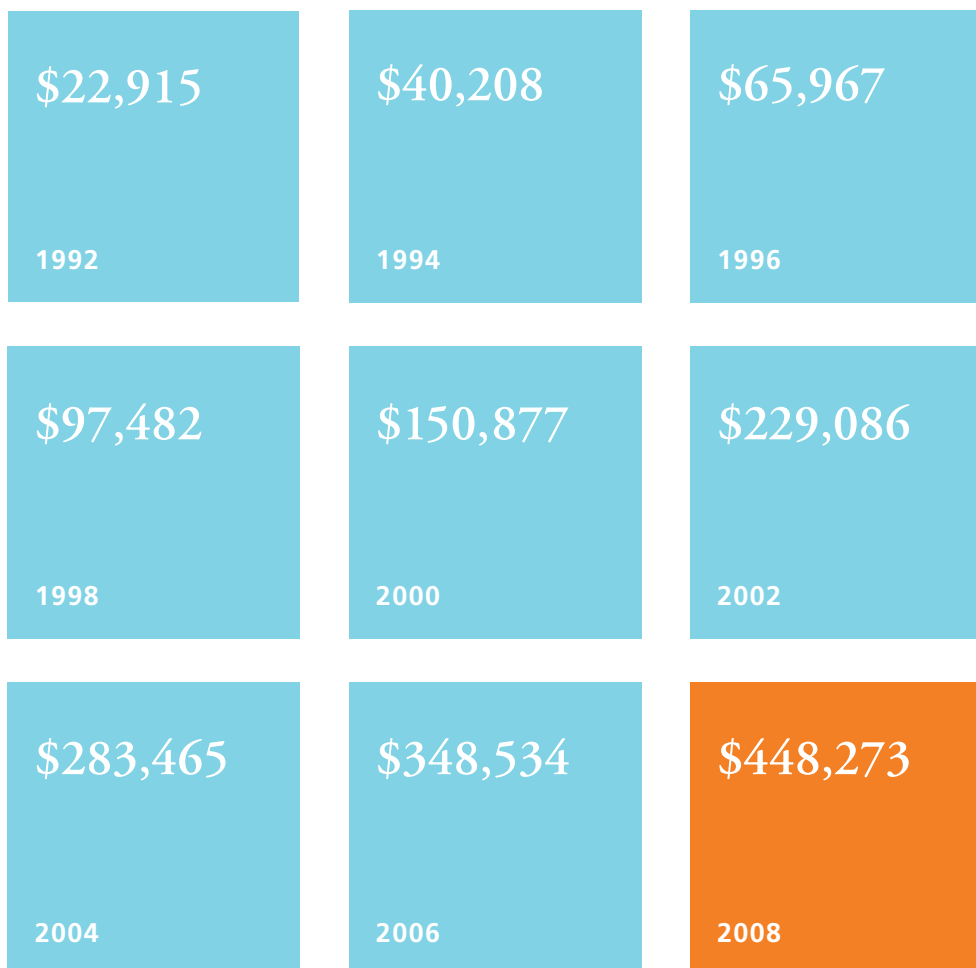


**Richard A. Dorfman**  
President and Chief Executive Officer

# \$448,272,971

FHLBank Atlanta's contribution to AHP, FHP, and CICA\* since 1990.





## FHLBank Atlanta

### Cumulative AHP and CICA\* Contributions

\* CICA total includes funds for EDGE, EDGE Opportunity Fund, Predevelopment Fund, and New Markets Fund. Amounts in thousands.

# Opening Doors

Affordable Housing Program

“Without the AHP many of these individuals and families may not have the quality of housing they have today or, for that matter, any housing at all.”

**Peter Ponne** · Senior Vice President  
SunTrust Bank



**Kathy Windsor** · Assistant Vice President · SunTrust Bank

**Peter Ponne** · Senior Vice President · SunTrust Bank



## SunTrust Bank

The evidence of SunTrust Bank's commitment to community development can be seen throughout the Southeast and Mid-Atlantic – from homes for seniors in Englewood, Fla. to revitalized apartment buildings in Atlanta to transitional housing in downtown Baltimore. The financial institution's community development activities are operated through SunTrust Community Capital, where a group of highly experienced professionals, including Peter Ponne and Kathy Windsor, work with nonprofit and for-profit developers to reach low-income, underserved communities.

SunTrust Bank provides a host of community development lending products to meet the unique needs of its clients, and the company complements this portfolio with FHLBank Atlanta's Affordable Housing Program (AHP). The AHP has been a vital component of SunTrust's community development toolkit, and since the program's inception in 1990, SunTrust Bank has used \$46 million in direct subsidies to help build or rehabilitate more than 9,000 units of affordable housing.

"We recognize how important the AHP is to our clients; there is a definite need for it in the community," said Windsor, assistant vice president at SunTrust Community Capital.

While the direct subsidies provided through AHP have contributed to the viability and success of many community development projects, the program also has helped generate new business for SunTrust. Ponne, senior vice president at SunTrust Community Capital says that the AHP has helped them strengthen relationships with developers and compete more effectively in the affordable housing market. "Over the years, the relationships cultivated through AHP projects have led to additional loan and deposit business for SunTrust," said Ponne.

Yet the core value of the AHP to SunTrust remains its ability to help the company meet its commitment to strengthen the communities in which it operates. Through the AHP, SunTrust and its partners continue to provide safe, decent places to live for a diverse range of low- and moderate-income families and help open doors to a better quality of life.

"Without the AHP many of these individuals and families may not have the quality of housing they have today or, for that matter, any housing at all," said Ponne.



**Christopher Place Academy /  
Our Daily Bread Employment Center  
Baltimore, Maryland**

**Member**

SunTrust Bank

**Sponsor**

Associated Catholic Charities

**AHP Direct Subsidy**

\$500,000

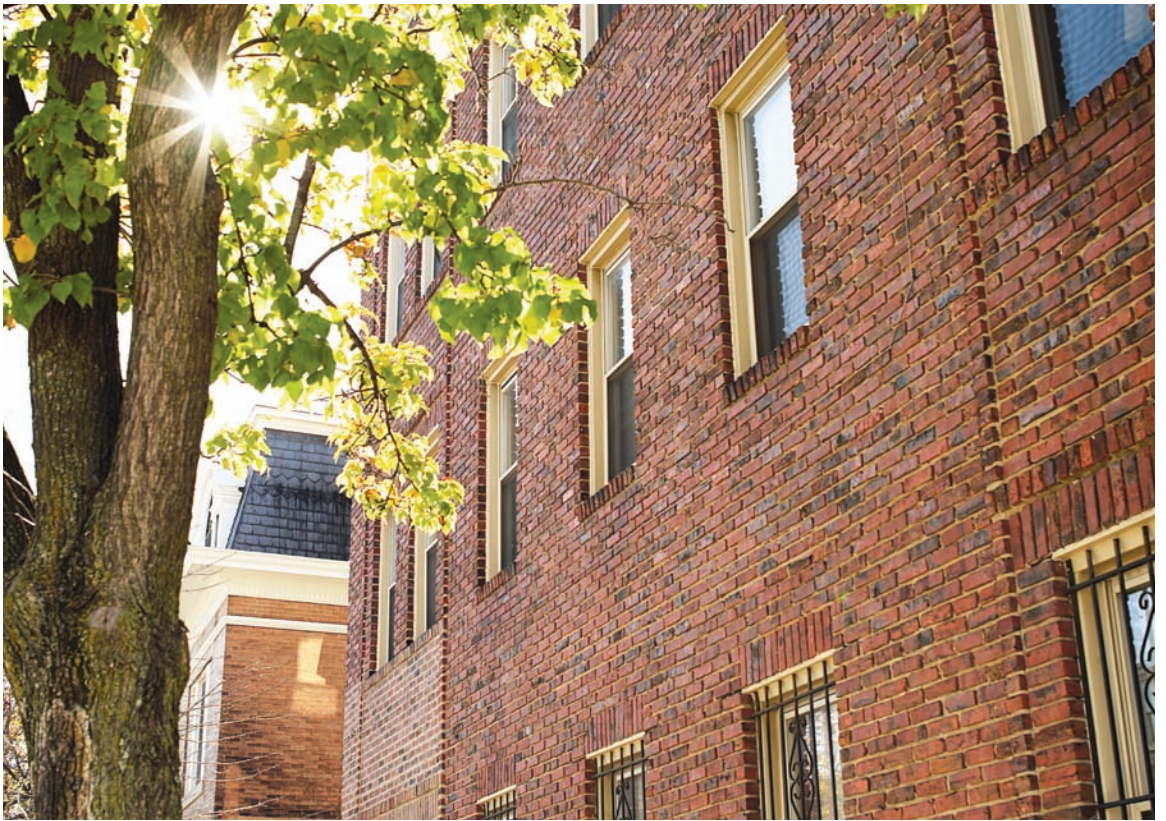
**Total Development Costs**

\$4,303,020

Christopher Place Academy provides a place where men who are homeless, or relocating from other treatment facilities can begin a transition to stable housing, stable employment, and a stable life. The center provides education and empowerment programs as well as 60-units of dorm-style housing. All housing expenses, meals, and program expenditures are funded through Associated Catholic Charities.

The building itself was designed to resemble a train station. This design promoted the idea that people are not entering the building for permanent living quarters or services but to transition to a better, more productive life.





Kathie Kelly · The Women's Housing Coalition

## The Calverton Baltimore, Maryland

### **Member**

SunTrust Bank

### **Sponsor**

The Women's Housing Coalition

### **AHP Direct Subsidy**

\$152,567

### **Total Development Costs**

\$402,567

The Calverton provides safe, affordable housing to very low-income homeless and special needs women in Baltimore. In addition to 14 units of permanent housing, residents of The Calverton receive case management and direct training services to meet their differing needs and abilities.

Originally constructed in 1990, The Calverton was one of the first affordable housing developments in Maryland to use Low-Income Housing Tax Credits. The 15-year compliance period ended recently. AHP funding provided through SunTrust Bank is financing much-needed repairs and renovations to the four-story building and will help ensure The Calverton remains true to its original intent.

# Opening Doors

Economic Development Program



“The EDP and CIP have helped us win deals. With these products, we are able to obtain better rates on our wholesale funding, which in turn, allows us to offer more competitive loan pricing to our members.”

**Steve Moseley** · Chief Financial Officer  
MIDFLORIDA Federal Credit Union

## MIDFLORIDA Federal Credit Union

From modest beginnings in 1954 as the Polk County Teacher's Credit Union, MIDFLORIDA Federal Credit Union has transformed into a \$1.2 billion full-service financial institution, serving more than 125,000 members across five central Florida counties. While growing rapidly in the last 10 years, the Lakeland-based company has remained focused on meeting the needs of local residents and businesses by providing personalized service and local decision-making.

Like many community financial institutions today, managing spreads, liquidity, and the pressures of a highly competitive local banking market are some of MIDFLORIDA's top priorities. Steve Moseley, the company's chief financial officer, says that the credit union's membership with FHLBank Atlanta has proven to be a vital tool in navigating these challenges.

MIDFLORIDA began borrowing from FHLBank Atlanta seven years ago and has used funding to fill deposit gaps and manage interest-rate risk in both its commercial and residential loan portfolios. A key component of the institution's borrowing mix has been FHLBank Atlanta's two reduced-rate advance programs: the Community Investment Program (CIP) and Economic Development Program (EDP).

When used for qualifying affordable housing and economic development activities, these advances provide the credit union with interest rates up to 10 basis points below regular advance rates. These programs have been an advantage in helping the company compete for loan opportunities in the community.

"The EDP and CIP have helped us win deals," said Moseley. "With these products, we are able to obtain better rates on our wholesale funding, which in turn, allows us to offer more competitive loan pricing to our members."



**David Hand** · Chief of Business Services · **Sandra Gibson** · Chief of Real Estate Lending · **Steve Moseley** · Chief Financial Officer

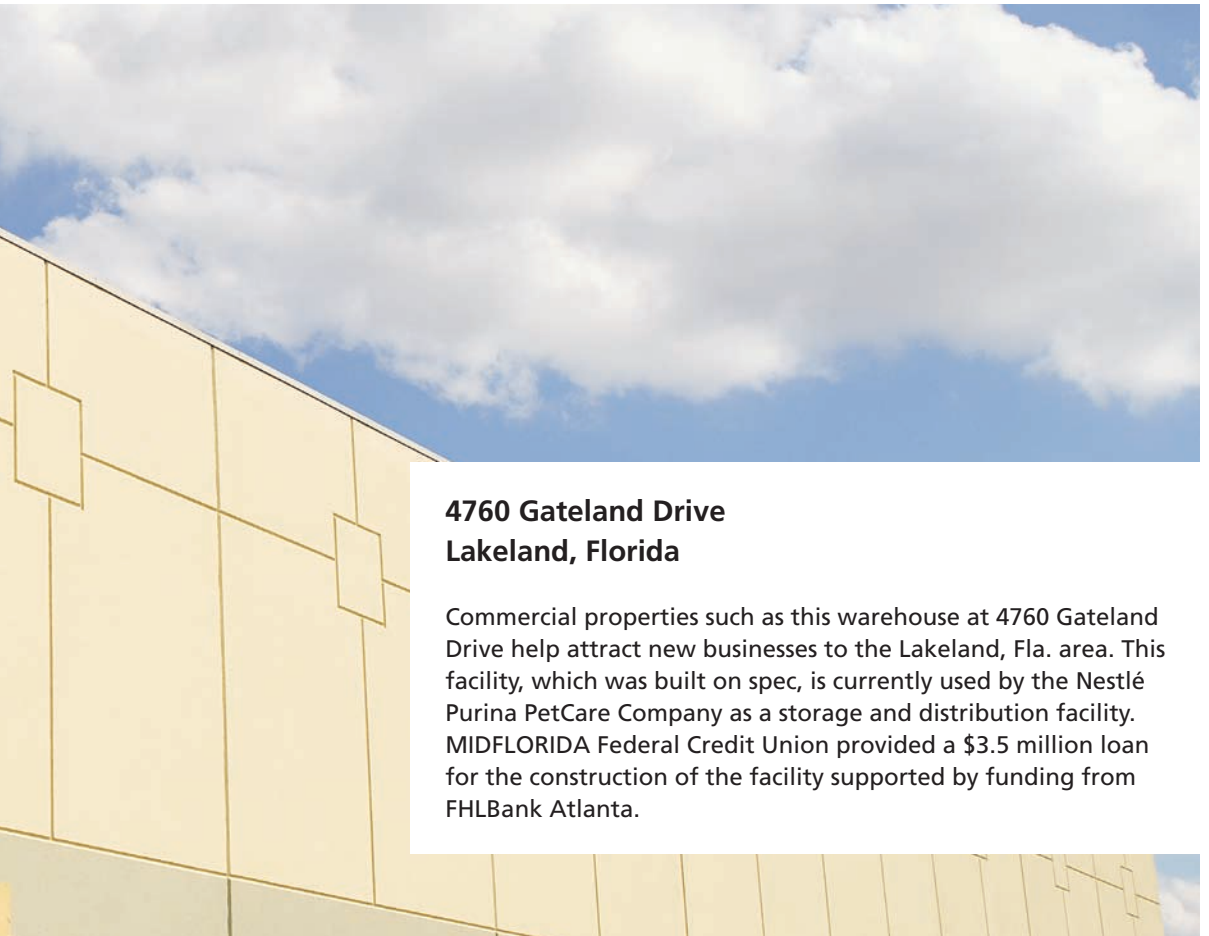
MIDFLORIDA Federal Credit Union

MIDFLORIDA has approximately \$50 million in outstanding CIP and EDP advances with FHLBank Atlanta. These advances have been used to fund mortgages for apartment complexes and single-family homes that are affordable to low- and moderate-income families. They also have provided funding for loans for warehouses and flexible-space commercial buildings, which have helped attract new businesses and industry to the area.

Equally important to the pricing advantage is MIDFLORIDA's ability to use FHLBank Atlanta advances to manage liquidity. The tight credit environment has created intense competition for deposits in the local market. Moseley says that strategic borrowing from FHLBank Atlanta has been important for maintaining margins and funding lending activity, including a strategic initiative to grow residential lending in 2008.



“FHLBank Atlanta is a strategic partner that has enabled us to expand our balance sheet and offer loans to our membership that we could not do otherwise,” says Moseley. “We doubled residential loan volume in 2008 and kept 98 percent in portfolio. The only way we could do this was to borrow wholesale from FHLBank Atlanta.”



**4760 Gateland Drive  
Lakeland, Florida**

Commercial properties such as this warehouse at 4760 Gateland Drive help attract new businesses to the Lakeland, Fla. area. This facility, which was built on spec, is currently used by the Nestlé Purina PetCare Company as a storage and distribution facility. MIDFLORIDA Federal Credit Union provided a \$3.5 million loan for the construction of the facility supported by funding from FHLBank Atlanta.

# Opening Doors

First-time Homebuyer Program



“Creating a homeownership opportunity for someone is one step in building a community.”

**Randy Dolyniuk** · Chairman and CEO  
CoastalStates Bank



**Randy Dolyaniuk** · Chairman and CEO · CoastalStates Bank

**Sabrina Wright** · Homeowner

## CoastalStates Bank

In 2008, CoastalStates Bank helped more than 1,000 families and individuals achieve their dreams of first-time homeownership. They accomplished this by reaching out to underserved markets, counseling prospective homeowners on financial management, and originating mortgages that were reasonable and affordable. Through this work, CoastalStates Bank is creating neighbors, neighborhoods, and communities one mortgage at a time. To Randy Dolyniuk, Chairman and CEO of CoastalStates Bank, this is what being a banker is all about.

Based in Hilton Head Island, S.C., the four-year old community bank has grown rapidly to more than \$400 million in assets, leveraging a strong foundation of residential and commercial real estate lending and a philosophy of hiring the best professionals. Several years ago, a desire to expand the residential mortgage business to the conforming loan market led Dolyniuk to Robert Dozier at Columbia-based Homeowners Mortgage. The two like-minded professionals believed in the value of homeownership and that everyone could be a homeowner given the right time and the right lender.

“Homeowners Mortgage specialized in plain vanilla mortgages for people who qualified and needed to put a roof over their heads,” said Dolyniuk. “They had the right foundation and know-how to build on what our bank already had.”

The two companies joined forces in 2007. Today, CoastalStates Bank continues to reach out to underserved markets in the Columbia area, primarily minority and new immigrant populations. By developing personal relationships with community leaders and providing one-on-one counseling to aspiring homeowners, the lender has become a trusted mortgage provider.

Their success in low- to moderate-income markets is due in part to FHLBank Atlanta’s First-time Homebuyer Program. CoastalStates Bank used \$975,000 in FHP funding in 2008, providing down-payment and closing-cost assistance to help 110 families purchase homes. Mortgage originations related to FHP funding exceeded \$10 million, with the average mortgage valued at \$94,000.

“We work with many prospective homeowners that have good jobs and steady incomes but they just need that extra boost to get into a home. The FHP enables us to provide that boost,” said Dolyniuk.

The program also has helped strengthen the bank’s competitive position in both the Columbia and Hilton Head Island markets. Dolyniuk says that in addition to being a local lender, having access to matching dollars for first-time homeowners has made the difference in securing accounts with builders. Currently, CoastalStates Bank is the preferred lender with nine of the top 20 builders in Columbia.





Sabrina Wright opened the door to her new two-story home in the suburbs of Columbia, S.C. in the spring of 2008. Ms. Wright received \$10,000 in matching FHP funds from CoastalStates Bank to help with the down payment. Months later she continues to experience the joys of homeownership as she and her two young children decorate for their first Christmas in their new home.

Dolyniuk is optimistic about the prospects of extending their first-time homebuyer program to coastal areas of S.C. and looks forward to using the FHP to provide homeownership opportunities to more working families. "We believe that what we do is build communities. Creating a homeownership opportunity for someone is one step in building a community," said Dolyniuk.

# 2008 Affordable Housing Program Awards by State



## Alabama

Award: \$3,557,941

Total Housing Units: 351



## North Carolina

Award: \$5,885,815

Total Housing Units: 541



## Florida

Award: \$9,247,136

Total Housing Units: 666



## South Carolina

Award: \$4,047,116

Total Housing Units: 603



## Georgia

Award: \$12,430,908

Total Housing Units: 1,359



## Tennessee

Award: \$2,337,500

Total Housing Units: 131



## Louisiana

Award: \$423,400

Total Housing Units: 32



## Texas

Award: \$1,650,000

Total Housing Units: 311



## Maryland

Award: \$1,490,000

Total Housing Units: 178



## Virginia

Award: \$1,947,810

Total Housing Units: 308

For more information on 2008 AHP awards, including a complete list of projects, visit [www.fhlbatl.com](http://www.fhlbatl.com).

# FHLBank Atlanta Community Investment Services

		PROGRAM	DESCRIPTION	COMMON USES
HOUSING		AHP  AFFORDABLE HOUSING PROGRAM	Subsidy or capital for affordable homeownership or rental projects; maximum forgivable loan is \$1 million per project per competitive round.	Acquisition, new construction or rehabilitation financing, permanent financing, principal reduction, down-payment and closing-cost assistance for purchase, construction or rehabilitation of owner-occupied or rental properties, including special-needs housing such as single-room occupancy units for the homeless, transitional housing, supportive housing, and units specially equipped for the disabled and elderly.
		FHP  FIRST-TIME HOMEBUYER PROGRAM	Subsidy or capital in a five-to-one match—up to \$10,000—for eligible first-time homebuyers for down payment and closing costs.	Down payment and closing costs; prepaids.
		CIP  COMMUNITY INVESTMENT PROGRAM	Advances to fund 1) single-family mortgages where family income does not exceed 115% of area median income, or 2) rental property loans, where rents charged are affordable to households with incomes not exceeding 115% of area median income.	Single-family, owner-occupied homes; rental housing; manufactured housing parks located in neighborhoods where the median income does not exceed 115% of the area median income; to finance or refinance first mortgages.
ECONOMIC DEVELOPMENT		EDP  ECONOMIC DEVELOPMENT PROGRAM	Advances for loans to businesses that: 1) qualify as a small business as defined by SBA; 2) are located in a designated community or census tract with income not exceeding 115% of area median income (AMI) for rural areas and 100% for urban areas; 3) create / retain jobs for individuals with incomes not exceeding 115% of AMI for rural areas and 100% for urban areas; and 4) provide services to families with incomes not exceeding 115% of AMI for rural areas and 100% for urban areas.	Loans for small business, retail centers, infrastructure, industrial parks, hotels, and restaurants.



BENEFITS	GUIDELINES	APPLICATION PROCESS
<p>Allows member working in partnership with affordable housing providers to access capital and provide affordable housing to community.</p>	<p>Project must: 1) be financially feasible and demonstrate need for subsidy; 2) serve households with incomes at or below 80% of area median income (AMI) — rental projects must reserve at least 20% of total units for families with incomes of 50% AMI or below; 3) comply with fair housing and affirmative marketing requirements; 4) have qualified project sponsor; 5) be completed within three years of approval — all AHP funds drawn down and construction complete, all homeownership units sold and occupied by eligible families, rental projects with certificate of occupancy; and 6) remain affordable for owner-occupied properties for five years, rental properties for 15 years.</p>	<p>Member submits application via FHLBAccess for annual offering; approval in December.</p>
<p>Allows member to increase funding for first-time homebuyer customers.</p>	<p>Funds available on first-come, first-served, homebuyer-by-homebuyer basis. Annual maximum per member is \$1 million and maximum per household is \$10,000. Eligible homebuyers must: 1) have income at or below 80% of area median income; 2) complete a Bank prescribed homebuyer counseling program; 3) be the owner-occupant; 4) contribute minimum of \$500 of their own funds; 5) sign five-year retention recapture agreement; and 6) must be located in FHLBank Atlanta district.</p>	<p>Member submits one-time Registration Form to be eligible to obtain funds during each annual offering cycle. Member submits funding request and Home Purchase Summary Form for each family prior to loan closing.</p>
<p>Rates are 10 basis points below regular advances; fixed rates, terms up to 20 years, interest-only or amortizing payments; one-time documentation of loans funded; can be used in conjunction with programs offered by other organizations, such as USDA Rural Development.</p>	<p>Amount and term of advance cannot exceed amount and term of loans funded; loans must be held in portfolio; all loans must be closed and CIP advance fully disbursed, or construction draws funded, within 90 days prior to and/or six months after date of CIP advance.</p>	<p>At any time, member faxes applicable CIP Authorization Application to CIS for approval; approved requests receive a CIP Authorization Number, good for one year from approval date. Submit Application for Advance, including CIP Authorization Number when ready to borrow.</p>
<p>Rates are 10 basis points below regular advances; fixed rates, terms up to 20 years, interest-only or amortizing payments; one-time documentation of loans funded; can be used in conjunction with programs offered by other organizations, such as USDA Rural Development.</p>	<p>Amount and term of advance cannot exceed amount and term of loans funded; loans must be held in portfolio; all loans must be closed and EDP advance fully disbursed, or construction draws funded, within 90 days prior to and/or six months after date of EDP advance.</p>	<p>At any time, member faxes applicable EDP Authorization Application to CIS for approval; approved requests receive a EDP Authorization Number, good for one year from approval date. Submit Application for Advance, including EDP Authorization Number when ready to borrow.</p>

## 2008 Affordable Housing Advisory Council

**Bruce Gunter (Chair)**

President

Progressive Redevelopment, Inc.  
Decatur, GA

**Leonard Vaughan (Vice Chair)**

Principal

Shea Development Group, LLC.  
Columbia, MD

**Robert Adams**

President

Housing and Development Advisors  
Richmond, VA

**Steve Auger**

Executive Director

Florida Housing Finance Corporation  
Tallahassee, FL

**Robert Avery**

Executive Director

Vision CDC  
Gadsden, AL

**Reginal Barner**

Chief Executive Officer

Community Development  
Improvement Corporation  
Aiken, SC

**Charles Berrin**

Chief Operations Officer

Saint Paul Community Development Corp.  
Temple Hills, MD

**Kathleen Brownlee**

Director of Real Estate Development  
CF Foundation  
Atlanta, GA

**Scott Dedman**

President

Mountain Housing Opportunities, Inc.  
Asheville, NC

**Thomas G. Faulkner, III**

President

Nehemiah Community Revitalization Corp.  
Greenville, SC

**Jane Henderson**

President

Virginia Community Capital  
Christiansburg, VA

**Earl Allen Pfeiffer**

Executive Director

Florida Home Partnership  
Ruskin, FL

**Robert Pohlman**

Executive Director

Coalition for Nonprofit Housing  
& Economic Development  
Washington, DC

**William H. Tilly, Jr.**

Executive Director

Alabama Multifamily Loan Consortium  
Montgomery, AL

**Gladys K. Washington**

Senior Program Officer

Mary Reynolds Babcock Foundation  
Winston-Salem, NC

# 2008 FHLBank Atlanta Management

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President and Chief Executive Officer

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Chief Administrative Officer

**Steven Goldstein**

Chief Financial Officer

**Kirk R. Malmberg**

Chief Credit Officer

**W. Wesley McMullan**

Director of Financial Management

**Jill Spencer**

General Counsel, Chief Strategy Officer,  
and Corporate Secretary

## Senior Vice Presidents

**Charlotte McRanie**

Financial Operations Management

**Andrew B. Mills**

Treasury and Asset/Liability Management

**Richard A. Patrick**

Chief Audit Officer

## Community Investment Services Management

**Arthur Fleming**

Director of Community Investment Services

**Eileen Doran**

Director of Lending and Disbursement

**Michael Mason**

Director of CIS Compliance and Servicing

**Jackson Cosey**

Manager of CIS Business and Relationship Development

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